

Maricopa County is the nation's fastest-growing county, home to approximately four and a half million people, making up more than one-half of the population of the State of Arizona.

The County includes:

- 24 cities and towns and several unincorporated communities
- covers 9,224 square miles
- is larger than four states in the U.S.
- houses 12 regional parks that encompass approximately 120,000 acres, making it one of, if not the largest, county park system in the country.

The parks managed by Maricopa County's Parks and Recreation Department (MCPRD) are patronized by both local and non-local visitors. These regional parks offer both tangible and intangible benefits to the visitors and the host communities in the context of outdoor recreation, wellness, conservation, and revenue<sup>1</sup>.

The core purpose of this study was to calculate the economic impact of visitors, for the year 2019, to eight iconic parks managed by MCPRD:

- Cave Creek Regional Park,
- Estrella Mountain Regional Park,
- Lake Pleasant Regional Park,
- McDowell Mountain Regional Park,
- San Tan Mountain Regional Park,
- Spur Cross Ranch Conservation Area,
- Utery Mountain Regional Park, and
- White Tank Mountain Regional Park

Additionally, it calculates the economic impact of concessionaire revenue at the listed parks. The economic impact of operating expenses and administrative costs at the Adobe Dam Regional Park is also assessed.

It is noted, that recreation spending by park visitors at the eight parks and the operating budget for the nine regional parks, are significant drivers of economic activity in the region and are a robust instrument of economic activity.

Six parks offer economic benefits within Maricopa County and economic activity spreads beyond the County border to Yavapai County for Lake Pleasant Regional Park and Pinal County for San Tan Mountain Regional Park.

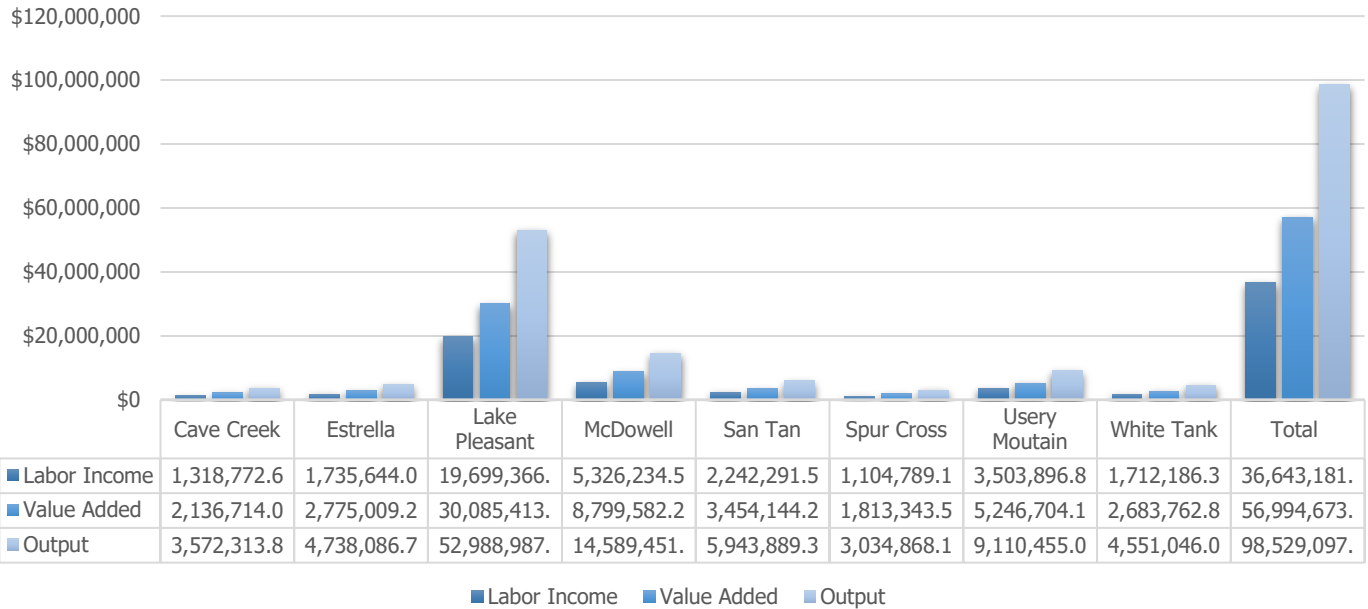


- The Maricopa County Parks and Recreation System has generated a total of **\$93.36 million** (around \$82.74 million in visitor expenditures and \$10.63 million in overall operating expenses of MCPRD) in 2019.
- The shared impact of visitor spending and operating costs on the local gateway regions has resulted in:
  - \$117.77 million in output,
  - \$69.87 million in gross regional product (value-added),
  - \$45.61 million in labor income, and
  - 948 in jobs (full/part-time).
- Furthermore, the shared impact has generated \$9.5 million in federal taxes and \$5.84 million in state/local taxes.

<sup>1</sup>National Parks and Recreation Association (NRPA) (2017). Economic Impact of Local Parks.



**ECONOMIC IMPACT OF VISITOR SPENDING**



- The park leverage ratio is 1:4.85. For each dollar invested in net operating costs by MCPRD in the eight parks, \$4.85 is generated in resident income. In other words, for every dollar invested in the eight regional parks, a local resident receives the economic benefits of \$4.85 in employee compensation and proprietor income.

Park	Leverage Ratio
Cave Creek Regional Park	1:2.20
Estrella Mountain Regional Park	1:2.81
Lake Pleasant Regional Park	1:5.76
McDowell Mountain Regional Park	1:7.46
San Tan Mountain Regional Park	1:4.00
Spur Cross Ranch Conservation Area	1:4.17
Usery Mountain Regional Park	1:3.40
White Tank Mountain Regional Park	1:2.15

- In addition to the park leverage ratio, the direct concessionaire revenue generated by private sector recreation operators in the

- parks (\$25.11 million) has created
  - \$51.57 million in output,
  - \$30.41 million in gross regional product,
  - \$21.38 million in labor income,
  - 557 jobs (full/part-time), and
  - \$4.67 million and \$3.31 million in federal and state/local tax contributions.

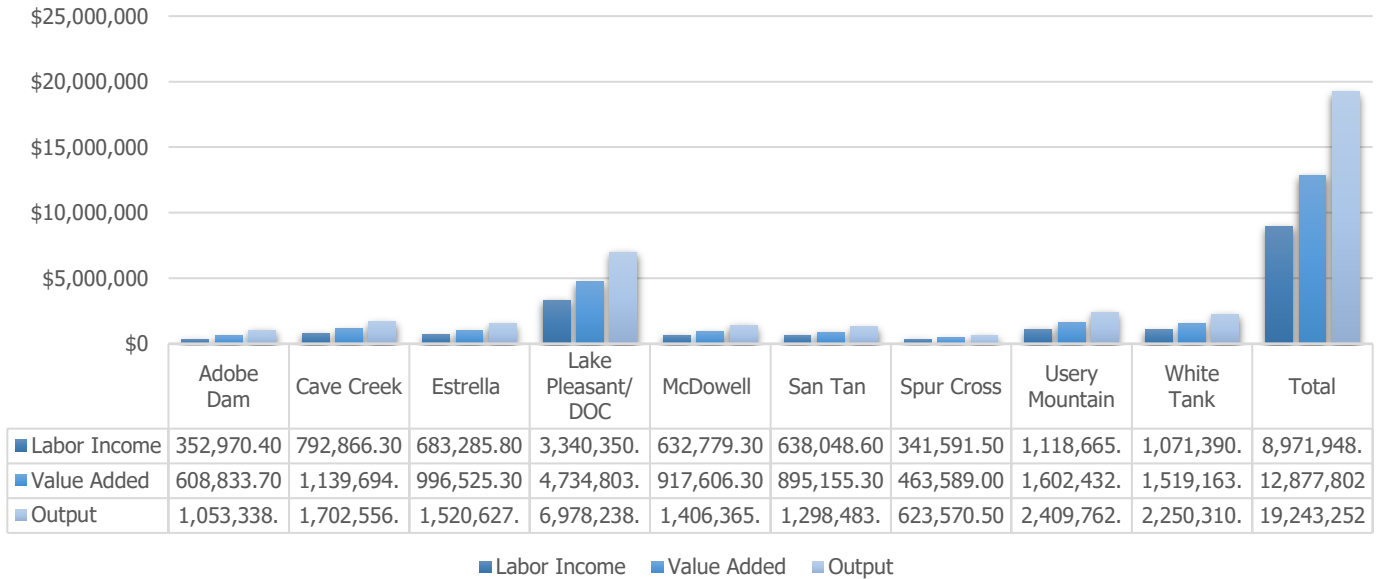
Further breakdown of the key results is presented below:

- Approximately 1.67 million visitors patronized the eight parks for recreation purposes in 2019. The park visitors spent approximately \$82.74 million in local gateway regions.
  - Out of these, on average, 30.6% are non-local visitors across all eight parks and they generate a total of \$31.32 million in direct spending.
  - Total local visitors are 1.15 million (68.7%) out of which 78% (897,087) are retained visitors and their spending totals to \$51.41 million.





**ECONOMIC IMPACT OF OPERATING EXPENSES**



- Retained visitors refer to local patrons who would have otherwise traveled outside the gateway region (County) for recreation if the visited park had been absent.
- Retained local day-trippers and retained overnight visitors generated \$41.63 million and \$9.78 million in direct spending respectively.
- Non-local day-trippers and overnight visitors generated \$29.64 million and \$1.67 million in direct expenditures.

The impact of total visitor spending has resulted in:

- 796 jobs (full time/part-time),
- \$36.64 million in labor income,
- \$56.99 million in gross regional product,
- \$7.68 million in federal tax contributions, and
- \$5.17 million in state/local tax contributions.

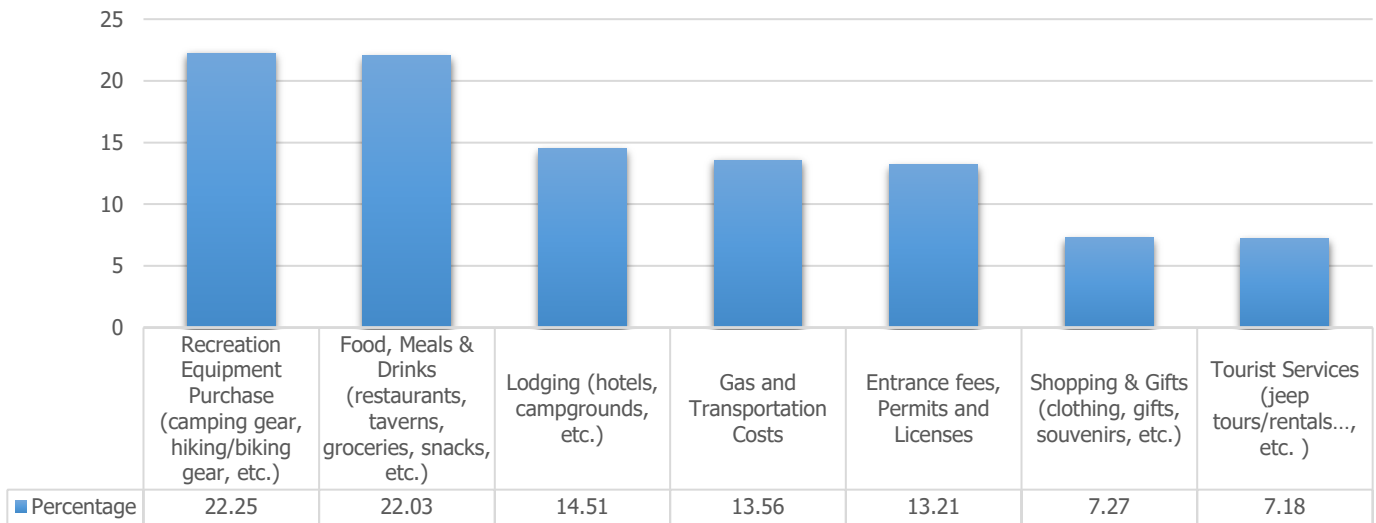
Top industries that have benefited the most from visitor spending, in terms of value-added impact, are museums, historical sites, zoos and parks, lodging, food and beverage retail stores, other real estate, owner-occupied dwellings, hospitals, offices of physicians and employment services, miscellaneous store retailers, gasoline retail stores, and hospitals.





- The MCPRD operating expenses (\$10.63 million) associated with the eight parks of focus, the DOC, and the Adobe Dam Regional Park generated:
  - \$19.24 million in output,
  - \$12.88 million in gross regional product, and
  - \$8.98 million in labor income.
- Nearly 151 full/part-time employees were employed and \$1.8 million in total federal tax contributions and \$670,000 in total state/local tax contributions were made.



### BREAKDOWN OF VISITOR SPENDING BY DIFFERENT CATEGORIES



- 
 Top industries impacted by the MCPRD operating expenses in terms of value-added, are employment and payroll of local government/education followed by other government enterprises, owner-occupied dwellings, water, sewage and other systems, facilities support services, landscape and horticultural services, and other real estate maintenance and repair construction of nonresidential structures.
- It is also worth noting that Maricopa County Parks receives less than 10% of their operating budget from the County General Fund. The overwhelming majority of operating revenues are generated from entrance and camping fees, events, and concessionaire revenue sharing.
 
- The park leverage ratio (total labor income divided by total operating expenses (\$9.34 million minus operating expense for Adobe Dam Regional Park and the DOC) is 1:4.85. This means that for each dollar invested in net

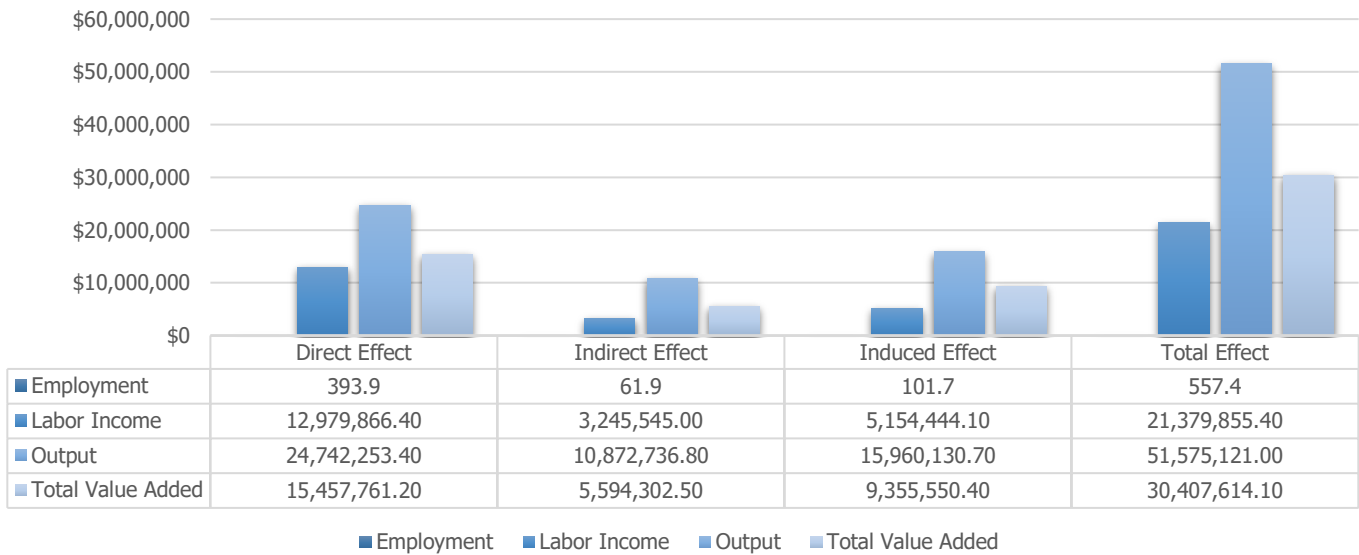
operating costs by MCPRD in the eight parks, \$4.85 is generated in resident income.

- Therefore, an investment in the form of operating budget by the County delivers approximately five times return in investment in the local gateway regions. As recommended by NRPA (2017), the policymakers and elected government officials should note that investments made to local and regional parks, not only enhances the quality of life in the local and regional neighborhoods, it also sparks a ripple effect throughout the regional economy.
- Concessionaires earn a direct revenue of \$25.11 million. This revenue generates:
  - \$51.57 million in output,
  - \$30.41 million in value-added,
  - \$21.38 million in labor income, and
  - 557 jobs (full/part-time).

Total federal tax and state/local tax contributions are \$4.67 million and \$3.31 million respectively. These concessionaires also help to add to the visitor experience within the parks by offering goods and



ECONOMIC IMPACT OF CONCESSIONAIRE REVENUE



services that the County may not otherwise be able to offer.

- It is important to note that the concessionaire revenues and resultant impacts are in addition to the previously mentioned park leverage ratio. In essence, Maricopa County Parks generate a significant leverage ratio and millions in additional value-added impacts created by concessionaires that operate within the park boundaries.

Because a significant portion of operating revenue is obtained from entrance and camping fees, events, and concessionaire revenue sharing, campground, concessionaire amenities, and other guest offerings should be further developed to increase the length of stay.

For instance, more capital investment should be made to offer new or upgraded recreational/camping facilities in parks with comparatively less visitation to raise the average duration of visits.

RECOMMENDATIONS

Based on the high leverage ratio (1:4.51) and other positive study findings, Maricopa County should expand internal County strategies to increase park visitation and develop additional external collaborative partnerships with ancillary sectors such as:

- sporting good stores,
- lodging,
- attractions,
- restaurants,
- grocery stores,
- new concessionaires, and
- local tour companies to boost visitor spending.



Also, County seed funding or tax incentives could be provided to help incubate long-term concession operations in the parks. Furthermore, collaborative marketing and programming should be planned with institutions and industries that benefit the most from park visitor expenditures. Those benefitting most, include local communities and their chambers of commerce, museums, historical sites, zoos, lodging, food and beverage retailers, local tour operators, and park concessionaires.



Maricopa County's park system makes significant contributions to the economy of Maricopa County as a whole, the Greater Phoenix region, and in particular, rural and suburban areas while providing valuable natural resource protection and a healthy outdoor environment that enriches the local quality of life.

As such, the County should expand economic development investments in:

- new capital projects,
- park renovations and major maintenance projects,
- marketing, and
- collaborative ventures with the private and non-profit sectors to boost visitor spending,
- increase the length of stay,
- improve visitor experiences,
- protect and enhance park natural resources, which are the primary drivers of park visitation.

### LIMITATIONS

Like all studies, this study is also subject to logistical and methodological limitations. It used existing data with a limited number of tourist expenditure items. For instance, spending on car rental and vehicle repair could not be ascertained. Also, expenditures grouped under the 'other' category could not be analyzed, hence were excluded.

Furthermore, dollars spent by visitors in the form of entrance fees, permits and licenses are forwarded to MCPRD and do not directly enter the local economy through visitor spending.

Therefore, these items were excluded from economic impact calculations. Because of the above limitations, it is highly likely that the economic impact assessment is underestimated.

For comprehensive economic impact assessment, a future study is recommended. The study can collect primary data to offer a comprehensive view of visitor

markets and their economic impact in the gateway regions. The new study can use online, onsite/mail-back surveys and conduct interviews of vendors/relevant stakeholders both inside and outside the park premises.

### ACKNOWLEDGEMENTS

This study also acknowledges Dale Larsen (Professor of Practice) for his suggestions. Dale's forty-year career in municipal parks and recreation has offered great practitioner/management insights.



### Maricopa County

Parks and Recreation Department  
41835 N. Castle Hot Springs Rd.  
Morristown, AZ 85342  
(602) 506-2930 •  
maricopacountyparks.net